

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282  
HOWARD, KANSAS**

**FINANCIAL STATEMENT  
JUNE 30, 2015**

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**BUSBY FORD & REIMER, LLC**

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CERTIFIED PUBLIC ACCOUNTANTS

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
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**JUNE 30, 2015**

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## BUSBY FORD & REIMER, LLC

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CERTIFIED PUBLIC ACCOUNTANTS  
INDEPENDENT AUDITORS' REPORT

**Board of Education  
West Elk Unified School District No. 282  
Howard, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **West Elk Unified School District No. 282, Howard, Kansas**, as of and for the year ended **June 30, 2015** and the related notes to the financial statement.

*Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Board of Education**  
**West Elk Unified School District No. 282**

*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

As described in Note 1 of the financial statement, the financial statement is prepared by **West Elk Unified School District No. 282, Howard, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **West Elk Unified School District No. 282, Howard, Kansas**, as of **June 30, 2015**, or changes in financial position and cash flows thereof for the year then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **West Elk Unified School District No. 282, Howard, Kansas**, as of **June 30, 2015**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, agency funds schedules of regulatory basis cash receipts and disbursements and district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement.

**Board of Education  
West Elk Unified School District No. 282**

The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we rendered an unmodified opinion dated November 3, 2014. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2015, on our consideration of **West Elk Unified School District No. 282, Howard, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **West Elk Unified School District No. 282, Howard, Kansas'** internal control over financial reporting and compliance.

***Busby Ford & Reimer, LLC***

Busby Ford & Reimer, LLC  
October 21, 2015

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SUMMARY OF CASH RECEIPTS, EXPENDITURES,**  
**AND UNENCUMBERED CASH**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add	
						Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 0	\$ 0	\$ 3,049,269	\$ 3,049,269	\$ 0	\$ 17,082	\$ 17,082
Special Purpose Funds							
Supplemental General	32,253	0	1,002,147	1,034,400	0	26,807	26,807
At Risk (4 Year Old)	0	0	23,112	23,112	0	0	0
At Risk (K-12)	22,279	0	335,894	238,090	120,083	0	120,083
Capital Outlay	986,548	0	115,056	749,097	352,507	3,167	355,674
Driver Training	4,663	0	5,788	603	9,848	0	9,848
Food Service	61,695	0	221,796	215,971	67,520	0	67,520
Special Education	149,470	0	769,221	918,691	0	0	0
Vocational Education	21,737	0	139,132	138,039	22,830	357	23,187
Special Education Cooperative	396,421	3,004	2,253,573	2,258,631	394,367	3,218	397,585
KPERS Contribution	0	0	372,299	372,299	0	0	0
Federal Funds	16	0	214,080	214,096	0	0	0
Gifts and Grants	124,646	0	4,800	9,678	119,768	0	119,768
Contingency Reserve	177,385	0	0	38,807	138,578	0	138,578
Textbook and Student Material							
Revolving	35,806	0	11,009	5,565	41,250	0	41,250
District Activity Funds	6,834	0	26,042	26,325	6,561	0	6,561
	<u>\$ 2,019,753</u>	<u>\$ 0</u>	<u>\$ 8,543,218</u>	<u>\$ 9,292,673</u>	<u>\$ 1,273,302</u>	<u>\$ 50,631</u>	<u>\$ 1,323,933</u>

Composition of Cash:

Checking Accounts	\$ 945,807
Savings Accounts	148,587
Certificates of Deposit	255,000
	<u>1,349,394</u>
Agency Funds	<u>(25,461)</u>
	<u>\$ 1,323,933</u>

The notes to the financial statement are an integral part of this statement.

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2015**

**Note 1 - Summary of Significant Accounting Policies:**

Financial Reporting Entity

**West Elk Unified School District No. 282** is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Howard, Severy and Moline, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

The District serves as the sponsoring District for a Special Education Cooperative (Coop). The Coop includes the District plus two additional districts. Funds for the Coop are provided by assessments from the participating districts in addition to State and Federal grants. The Coop is presented as a budgeted special purpose fund within the District.

**KMAAG Regulatory Basis of Presentation Fund Definitions:**

**General Fund**-The primary operating fund. Used to account for all unrestricted resources except those required to be accounted for in another fund.

**Special Purpose Funds**-To account for the proceeds of specific receipts (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

**Agency Funds**-To account for resources held in a trustee or agency capacity for others which therefore cannot be used to support the government's own programs.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.



**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2015**

**Budget and Tax Cycle**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no amendments for the year ended June 30, 2015.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Federal Funds  
Contingency Reserve Fund  
Textbook and Student Material Revolving Fund

Gifts and Grants Fund  
District Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.



**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2015**

**Note 2 - In Substance Receipt in Transit:**

The District received \$193,788 subsequent to June 30, 2015, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2015.

**Note 3 - Defined Benefit Pension Plan:**

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et. seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Ave., Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009, KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

Net Pension Liability

The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014, the net pension liability for KPERS was \$8,291,794,910. KPERS has determined the District's proportionate share of the net pension liability is \$6,036,795 as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described in the first paragraph above.

**Note 4 - Compensated Absences:**

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2015**

**Note 5 - Reimbursed Expenses:**

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

**Note 6 - Deposits:**

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2015.

At June 30, 2015, the District's carrying amount of deposits was \$1,349,394 and the bank balance was \$1,297,939. The bank balance is held by three banks. Of the bank balance, \$528,865 was covered by depository insurance, and the remaining \$769,074 was collateralized with securities held by the pledging financial institution's agent in the District's name.

**Note 7 - Interfund Transactions:**

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer to:							
	Supplemental General	At Risk (4 Year Old)	At Risk (K-12)	Drivers Training	Food Service	Special Education	Vocational Education	Total
Transfer from:								
General Fund	\$ 0	\$ 23,112	\$ 335,894	\$ 3,000	\$ 0	\$ 605,830	\$ 135,000	\$ 1,102,836
Supplemental								
General Fund	0	0	0	0	29,000	163,391	0	192,391
Contingency								
Reserve Fund	38,807	0	0	0	0	0	0	38,807
	<u>\$ 38,807</u>	<u>\$ 23,112</u>	<u>\$ 335,894</u>	<u>\$ 3,000</u>	<u>\$ 29,000</u>	<u>\$ 769,221</u>	<u>\$ 135,000</u>	<u>\$ 1,334,034</u>

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2015**

**Note 8 - On-Behalf Payments for Fringe Benefits and Salaries:**

The District recognizes as revenues and expenses contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERS) on behalf of the District's employees. For the year ended June 30, 2015, the State made contributions of \$372,299. These contributions are recorded in the KPERS Contribution Fund as receipts and expenditures.

**Note 9 - Postemployment Benefits:**

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

**Note 10 - Contingencies:**

Grant Programs

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

**Note 11 - Subsequent Events:**

Subsequent to June 30, 2015, the District entered into a lease purchase agreement for facility upgrades. The lease provides for ten annual payments of \$101,649 including interest at 3.25%. The lease matures on July 1, 2025.

The District has evaluated subsequent events through October 21, 2015, the date which the financial statement was available to be issued.

**REGULATORY REQUIRED  
SUPPLEMENTARY INFORMATION**

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Fund	Certified Budget	Adjustment to		Adjustment for		Total Budget for Comparison	Expenditures	
		Comply with Legal Max	Budget Credits	Qualifying Budget Credits	Chargeable to Current Year		Variance - Over (Under)	
General Fund	\$ 3,144,002	\$ (99,766)	\$ 5,033	\$ 3,049,269	\$ 3,049,269	\$ 0		
Special Purpose Funds								
Supplemental General	1,060,295	(25,895)	0	1,034,400	1,034,400	0		
At Risk (4 Year Old)	23,112	0	0	23,112	23,112	0		
At Risk (K-12)	372,279	0	0	372,279	238,090	(134,189)		
Capital Outlay	1,121,530	0	0	1,121,530	749,097	(372,433)		
Driver Training	5,268	0	0	5,268	603	(4,665)		
Food Service	248,099	0	0	248,099	215,971	(32,128)		
Special Education	994,470	0	0	994,470	918,691	(75,779)		
Vocational Education	148,440	0	0	148,440	138,039	(10,401)		
Special Education Cooperative	2,522,728	0	0	2,522,728	2,258,631	(264,097)		
KPERS Contribution	466,371	0	0	466,371	372,299	(94,072)		
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	214,096	XXXXXXXXXX		
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	9,678	XXXXXXXXXX		
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	38,807	XXXXXXXXXX		
Textbook and Student Material								
Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	5,565	XXXXXXXXXX		
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	26,325	XXXXXXXXXX		
	\$ 10,106,594	\$ (125,661)	\$ 5,033	\$ 9,985,966	\$ 9,292,673	\$ (987,764)		

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 285,850	\$ 5,552	\$ 0	\$ 5,552
State Sources	2,714,995	3,043,717	3,144,002	(100,285)
	<u>3,000,845</u>	<u>3,049,269</u>	<u>\$ 3,144,002</u>	<u>\$ (94,733)</u>
Expenditures				
Instruction	836,047	922,068	\$ 927,538	\$ (5,470)
Student Support Services	11,232	52,467	47,200	5,267
Instructional Support Staff	11,040	8,887	12,500	(3,613)
General Administration	148,498	116,585	128,900	(12,315)
School Administration	201,641	159,570	210,875	(51,305)
Central Services	0	86,766	34,560	52,206
Operations & Maintenance	252,628	301,484	281,817	19,667
Student Transportation Services	299,608	298,606	344,500	(45,894)
Transfers	1,240,718	1,102,836	1,156,112	(53,276)
Adjustment to Comply with Legal Max	0	0	(99,766)	99,766
Adjustment for Qualifying Budget Credits	0	0	5,033	(5,033)
	<u>3,001,412</u>	<u>3,049,269</u>	<u>\$ 3,049,269</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(567)	0		
Unencumbered Cash, Beginning	5	0		
Prior Year Canceled Encumbrances	<u>562</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Supplemental General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 537,998	\$ 440,077	\$ 429,648	\$ 10,429
County Sources	78,594	87,313	74,711	12,602
State Sources	309,865	435,950	485,721	(49,771)
Transfers	0	38,807	0	38,807
	<u>926,457</u>	<u>1,002,147</u>	<u>\$ 990,080</u>	<u>\$ 12,067</u>
Expenditures				
Instruction	684,619	744,217	\$ 837,795	\$ (93,578)
Instructional Support Staff	0	0	7,500	(7,500)
School Administration	0	5,623	0	5,623
Operations & Maintenance	65,032	92,169	0	92,169
Transfers	178,938	192,391	215,000	(22,609)
Adjustment to Comply with Legal Max	0	0	(25,895)	25,895
	<u>928,589</u>	<u>1,034,400</u>	<u>\$ 1,034,400</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(2,132)	(32,253)		
Unencumbered Cash, Beginning	34,376	32,253		
Prior Year Canceled Encumbrances	<u>9</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 32,253</u>	<u>\$ 0</u>		



**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>At Risk Fund (4Year Old)</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 11,514	\$ 23,112	\$ 23,112	\$ 0
	<u>11,514</u>	<u>23,112</u>	<u>\$ 23,112</u>	<u>\$ 0</u>
Expenditures				
Instruction	11,514	23,112	\$ 23,112	\$ 0
	<u>11,514</u>	<u>23,112</u>	<u>\$ 23,112</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>At Risk Fund (K-12)</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 339,279	\$ 335,894	\$ 350,000	\$ (14,106)
	<u>339,279</u>	<u>335,894</u>	<u>\$ 350,000</u>	<u>\$ (14,106)</u>
Expenditures				
Instruction	393,823	238,090	\$ 372,279	\$ (134,189)
	<u>393,823</u>	<u>238,090</u>	<u>\$ 372,279</u>	<u>\$ (134,189)</u>
Receipts Over (Under) Expenditures	(54,544)	97,804		
Unencumbered Cash, Beginning	76,823	22,279		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 22,279</u>	<u>\$ 120,083</u>		

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**

**FOR THE YEAR ENDED JUNE 30, 2015**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Capital Outlay Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 30,595	\$ 102,807	\$ 117,596	\$ (14,789)
County Sources	0	12,249	22,091	(9,842)
Federal Sources	8,923	0	22,091	(22,091)
Transfers	140,843	0	0	0
	<u>180,361</u>	<u>115,056</u>	<u>\$ 161,778</u>	<u>\$ (46,722)</u>
Expenditures				
Instruction	0	0	\$ 916,947	\$ (916,947)
Transportation	200,056	0	200,056	(200,056)
Facility Acquisition & Construction Services	15,320	749,097	4,527	744,570
	<u>215,376</u>	<u>749,097</u>	<u>\$ 1,121,530</u>	<u>\$ (372,433)</u>
Receipts Over (Under) Expenditures	(35,015)	(634,041)		
Unencumbered Cash, Beginning	1,021,563	986,548		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 986,548</u>	<u>\$ 352,507</u>		

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**

**FOR THE YEAR ENDED JUNE 30, 2015**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Driver Training Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 832	\$ 1,300	\$ 832	\$ 468
State Sources	1,955	1,488	1,275	213
Transfers	2,000	3,000	3,000	0
	<u>4,787</u>	<u>5,788</u>	<u>\$ 5,107</u>	<u>\$ 681</u>
Expenditures				
Instruction	5,228	398	\$ 5,228	\$ (4,830)
Operations & Maintenance	40	205	40	165
	<u>5,268</u>	<u>603</u>	<u>\$ 5,268</u>	<u>\$ (4,665)</u>
Receipts Over (Under) Expenditures	(481)	5,185		
Unencumbered Cash, Beginning	5,144	4,663		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 4,663</u>	<u>\$ 9,848</u>		

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**

**FOR THE YEAR ENDED JUNE 30, 2015**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Food Service Fund</u>	<u>Current Year</u>			<u>Variance - Over (Under)</u>
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local Sources	\$ 53,302	\$ 57,617	\$ 47,464	\$ 10,153
State Sources	2,074	2,026	1,777	249
Federal Sources	130,704	133,153	124,842	8,311
Transfers	1,713	29,000	15,000	14,000
	<u>187,793</u>	<u>221,796</u>	<u>\$ 189,083</u>	<u>\$ 32,713</u>
Expenditures				
Operations & Maintenance	522	1,111	\$ 522	\$ 589
Food Service Operations	191,549	214,860	247,577	(32,717)
	<u>192,071</u>	<u>215,971</u>	<u>\$ 248,099</u>	<u>\$ (32,128)</u>
Receipts Over (Under) Expenditures	(4,278)	5,825		
Unencumbered Cash, Beginning	65,973	61,695		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 61,695</u>	<u>\$ 67,520</u>		

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**

**FOR THE YEAR ENDED JUNE 30, 2015**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Special Education Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers	\$ 789,425	\$ 769,221	\$ 845,000	\$ (75,779)
	<u>789,425</u>	<u>769,221</u>	<u>\$ 845,000</u>	<u>\$ (75,779)</u>
Expenditures				
Instruction	789,425	918,691	\$ 994,470	\$ (75,779)
	<u>789,425</u>	<u>918,691</u>	<u>\$ 994,470</u>	<u>\$ (75,779)</u>
Receipts Over (Under) Expenditures	0	(149,470)		
Unencumbered Cash, Beginning	149,470	149,470		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 149,470</u>	<u>\$ 0</u>		

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Vocational Education Fund</u>	Prior Year	Current Year		Variance -
	Actual	Actual	Budget	Over (Under)
Cash Receipts				
Federal Sources	\$ 6,196	\$ 4,132	\$ 103	\$ 4,029
Transfers	134,882	135,000	135,000	0
	<u>141,078</u>	<u>139,132</u>	<u>\$ 135,103</u>	<u>\$ 4,029</u>
Expenditures				
Instruction	132,566	137,081	\$ 148,223	\$ (11,142)
Student Support Services	216	854	217	637
Operations & Maintenance	0	104	0	104
	<u>132,782</u>	<u>138,039</u>	<u>\$ 148,440</u>	<u>\$ (10,401)</u>
Receipts Over (Under) Expenditures	8,296	1,093		
Unencumbered Cash, Beginning	13,441	21,737		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 21,737</u>	<u>\$ 22,830</u>		



**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Special Education Cooperative Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,780,802	\$ 1,921,583	\$ 987,477	\$ 934,106
Federal Sources	348,925	331,990	1,138,925	(806,935)
	<u>2,129,727</u>	<u>2,253,573</u>	<u>\$ 2,126,402</u>	<u>\$ 127,171</u>
Expenditures				
Instruction	1,913,204	1,940,765	\$ 2,158,728	\$ (217,963)
Student Support Services	117,713	101,879	133,000	(31,121)
Instructional Support Staff	6,813	9,141	7,500	1,641
Special Area Admin. Services	2,506	2,076	2,500	(424)
School Administration	133,293	128,150	135,000	(6,850)
Operations & Maintenance	13,166	35,553	15,000	20,553
Student Transportation Services	63,199	41,067	71,000	(29,933)
	<u>2,249,894</u>	<u>2,258,631</u>	<u>\$ 2,522,728</u>	<u>\$ (264,097)</u>
Receipts Over (Under) Expenditures	(120,167)	(5,058)		
Unencumbered Cash, Beginning	516,536	396,421		
Prior Year Canceled Encumbrances	<u>52</u>	<u>3,004</u>		
Unencumbered Cash, Ending	<u>\$ 396,421</u>	<u>\$ 394,367</u>		

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>KPERS Contribution Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
State Sources	\$ 370,871	\$ 372,299	\$ 466,371	\$ (94,072)
	<u>370,871</u>	<u>372,299</u>	<u>\$ 466,371</u>	<u>\$ (94,072)</u>
Expenditures				
Instruction	299,607	292,093	\$ 350,000	\$ (57,907)
Student Support Services	0	0	1,371	(1,371)
General Administration	5,095	5,495	15,000	(9,505)
School Administration	29,083	26,376	50,000	(23,624)
Other Supplemental Services	3,133	9,430	0	9,430
Operations and Maintenance	11,086	12,395	20,000	(7,605)
Student Transportation Services	16,164	18,256	20,000	(1,744)
Food Service Operations	6,703	8,254	10,000	(1,746)
	<u>370,871</u>	<u>372,299</u>	<u>\$ 466,371</u>	<u>\$ (94,072)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Federal Funds</u>		
	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	\$ 516,195	\$ 214,080
	<u>516,195</u>	<u>214,080</u>
Expenditures		
Instruction	531,262	208,992
Student Support Services	<u>4,439</u>	<u>5,104</u>
	<u>535,701</u>	<u>214,096</u>
Receipts Over (Under) Expenditures	(19,506)	(16)
Unencumbered Cash, Beginning	19,522	16
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 16</u>	<u>\$ 0</u>

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

Gifts and Grants Funds

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 3,115	\$ 4,800
State Sources	4,965	0
	<u>8,080</u>	<u>4,800</u>
Expenditures		
Instruction	<u>11,042</u>	<u>9,678</u>
	<u>11,042</u>	<u>9,678</u>
Receipts Over (Under) Expenditures	(2,962)	(4,878)
Unencumbered Cash, Beginning	127,608	124,646
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 124,646</u>	<u>\$ 119,768</u>

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures		
Transfers	<u>0</u>	38,807
	<u>0</u>	<u>38,807</u>
Receipts Over (Under) Expenditures	0	(38,807)
Unencumbered Cash, Beginning	177,385	177,385
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 177,385</u>	<u>\$ 138,578</u>

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

Textbook and Student Material Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 12,858	\$ 11,009
	<u>12,858</u>	<u>11,009</u>
Expenditures		
Instruction	14,995	5,565
	<u>14,995</u>	<u>5,565</u>
Receipts Over (Under) Expenditures	(2,137)	5,444
Unencumbered Cash, Beginning	37,930	35,806
Prior Year Canceled Encumbrances	<u>13</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 35,806</u>	<u>\$ 41,250</u>

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**AGENCY FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Beginning		Cash	Ending Cash
	Cash Balance	Cash Receipts	Disbursements	Balance
West Elk Junior/Senior High School				
Senior Class	\$ 0	\$ 2,234	\$ 2,136	\$ 98
Junior Class	2,235	7,863	8,293	1,805
Sophomore Class	260	95	346	9
Freshman Class	65	112	65	112
FFA	7,298	25,141	20,514	11,925
FBLA	264	0	0	264
Skills USA	247	3,040	2,728	559
FCCLA	714	17,229	17,555	388
Drama	5,356	1,941	1,384	5,913
STUCO	1,729	3,262	4,203	788
Jr. High STUCO	101	0	0	101
NHS	254	0	0	254
Concessions	40	26,465	25,791	714
Jr. High Cheerleaders	120	2,866	2,407	579
Spirit Club	353	2,797	2,043	1,107
Band Council	613	0	0	613
Choir Council	230	0	0	230
Sales Tax	43	3,264	3,305	2
	<u>\$ 19,922</u>	<u>\$ 96,309</u>	<u>\$ 90,770</u>	<u>\$ 25,461</u>



WEST ELK UNIFIED SCHOOL DISTRICT NO. 282  
DISTRICT ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,  
AND UNENCUMBERED CASH  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2015

Fund	Beginning Unencumbered Cash Balance	Prior Year		Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add		Ending Cash Balance
		Encumbrances	Canceled				Encumbrances and Accounts Payable		
West Elk Junior/Senior High School									
Athletics	\$ 1,976	\$ 0		\$ 21,008	\$ 21,405	\$ 1,579	\$ 0	\$ 0	\$ 1,579
Operations	65	0		307	307	65	0	0	65
Interest	785	0		43	0	828	0	0	828
Yearbook	4,008	0		4,684	4,613	4,079	0	0	4,079
	<u>\$ 6,834</u>	<u>\$ 0</u>		<u>\$ 26,042</u>	<u>\$ 26,325</u>	<u>\$ 6,551</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,551</u>

## FEDERAL AWARD INFORMATION



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# BUSBY FORD & REIMER, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITORS' REPORT**

**Board of Education  
West Elk Unified School District No. 282  
Howard, Kansas**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **West Elk Unified School District No. 282, Howard, Kansas**, as of and for the year ended **June 30, 2015**, and the related notes to the financial statement, which collectively comprise **West Elk Unified School District No. 282, Howard, Kansas'** basic financial statement, and have issued our report thereon dated October 21, 2015. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered **West Elk Unified School District No. 282, Howard, Kansas'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **West Elk Unified School District No. 282, Howard, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **West Elk Unified School District No. 282, Howard, Kansas'** internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Board of Education  
West Elk Unified School District No. 282**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **West Elk Unified School District No. 282, Howard, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Busby Ford & Reimer, LLC***

Busby Ford & Reimer, LLC  
October 21, 2015



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# BUSBY FORD & REIMER, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

## **INDEPENDENT AUDITORS' REPORT**

### **Board of Education**

**West Elk Unified School District No. 282**

**Howard, Kansas**

### Report on Compliance for Each Major Federal Program

We have audited **West Elk Unified School District No. 282, Howard, Kansas'** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of **West Elk Unified School District No. 282, Howard, Kansas'** major federal programs for the year ended **June 30, 2015**. **West Elk Unified School District No. 282, Howard, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **West Elk Unified School District No. 282, Howard, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **West Elk Unified School District No. 282, Howard, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **West Elk Unified School District No. 282, Howard, Kansas'** compliance.

**Board of Education  
West Elk Unified School District No. 282**

Opinion on Each Major Federal Program

In our opinion, **West Elk Unified School District No. 282, Howard, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2015**.

Report on Internal Control Over Compliance

Management of **West Elk Unified School District No. 282, Howard, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **West Elk Unified School District No. 282, Howard, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **West Elk Unified School District No. 282, Howard, Kansas'** internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

***Busby Ford & Reimer, LLC***

Busby Ford & Reimer, LLC  
October 21, 2015

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash		Receipts	Expenditures	Unencumbered Cash 6-30-15
			7-1-14				
Department of Education							
Indian Education Grants to Local Educational Agencies	84.060	\$ 4,000	\$ 0	\$ 4,000	\$ 4,000	\$ 0	
Fund for the Improvement of Education	84.215	667,772	16	88,313	88,329	0	
Rural Education	84.358	5,104	0	5,104	5,104	0	
		676,876	16	97,417	97,433	0	
(Passes Through Kansas Department of Education)							
Department of Agriculture							
Child Nutrition Cluster-Cluster							
School Breakfast Program	10.553	40,586					
National School Lunch Program	10.555	92,567					
		133,153					
		4,531					
Child and Adult Care Food Program	10.558	137,684	0	137,684	137,684	0	
Department of Education							
Title I, Part A Cluster-Cluster							
Title I Grants to Local Educational Agencies	84.010	88,224	0	88,224	88,224	0	
Career and Technical Education-Basic Grants to States	84.048	1,100	0	1,100	1,100	0	
Special Education Cluster (IDEA)-Cluster							
Special Education Grants to States	84.027	246,636	0	246,636	246,636	0	
Special Education Preschool Grants	84.173	25,497	0	25,497	25,497	0	
		272,133	0	272,133	272,133	0	
		28,439	0	28,439	28,439	0	
Improving Teacher Quality State Grants	84.367	389,896	0	389,896	389,896	0	
(Passes Through Kansas SRS)							
Department of Health and Human Services							
Medicaid-Cluster							
Medical Assistance Program	93.778	3,021	0	3,021	3,021	0	
(Passes Through Southeast Kansas Education Service Center)							
Department of Education							
Career and Technical Education-Basic Grants to States	84.048	3,032	0	3,032	3,032	0	
Department of Health and Human Services							
Medicaid-Cluster							
Medical Assistance Program	93.778	52,305	0	52,305	52,305	0	
Total Federal Awards		\$ 1,262,814	\$ 16	\$ 683,355	\$ 683,371	\$ 0	



**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1 - Basis of Presentation:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **West Elk Unified School District No. 282, Howard, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **West Elk Unified School District No. 282, Howard, Kansas**.
2. No significant deficiencies or material weaknesses were reported in the Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of **West Elk Unified School District No. 282, Howard, Kansas**, were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Report Of Compliance for Each Major Program; Report On Internal Control Over Compliance; And Report on Schedule of Expenditures of Federal Awards Required By OMB Circular A-133.
5. The independent auditors' report on compliance for the major federal award programs for **West Elk Unified School District No. 282, Howard, Kansas**, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **West Elk Unified School District No. 282, Howard, Kansas**.
7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Special Education Cluster (IDEA)-Cluster	
Special Education Grants to States	84.027
Special Education Preschool Grants	84.173
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. **West Elk Unified School District No. 282, Howard, Kansas**, was determined not to be a low-risk auditee.

**WEST ELK UNIFIED SCHOOL DISTRICT NO. 282  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

There are no prior audit findings.